FOR IMMEDIATE RELEASE

LONDON'S NEW BUILD HOTSPOTS TO PROVIDE HALF A MILLION NEW HOMES

- **Hotspots in Southwark, Tower Hamlets, Islington & Hackney set to lead London's future home developments**
- **New build projects in the capital could deliver 570,000 extra homes, enough to match expected need by 2024**
- **Population growth of almost one million in next ten years likely to be housed without touching green space**
- **An additional £200 billion in new London property value could be created in the capital over the next decade**

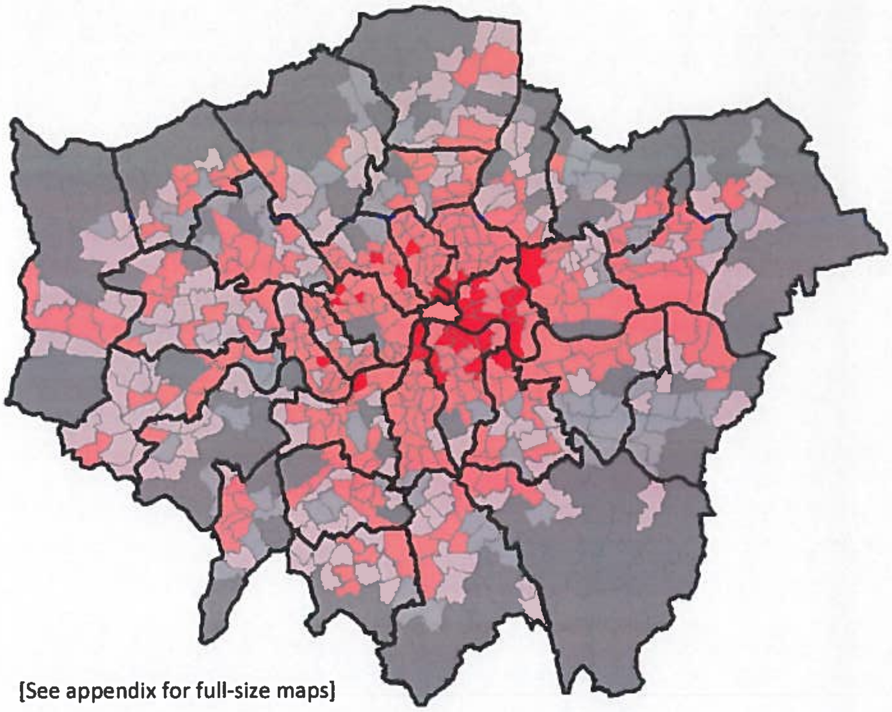
London could see up to 570,000 new homes over the next ten years, more than enough to house its growing population, according to new research covering every single one of the capital's 625 local ward areas, from specialist London estate agents Stirling Ackroyd.

As London's population grows by an estimated 920,000 people between 2014 and 2024, Stirling Ackroyd analysis shows this will require the creation of 570,000 new homes. Yet London is able to provide enough extra homes by redeveloping just 1.3% of the capital's land area on average, while preserving all green space.

Andrew Bridges, managing director of Stirling Ackroyd, comments: *"London can build the extra space required to house its own rapid success.*

"To keep up with a growing population these opportunities are likely to become reality over the next ten years. Even a cautious projection puts the capital's population at nine million before 2020, and half a decade before that landmark the city already needs more homes. Yet this level of development is not impossible or even unlikely. It's already starting."

Possible New Homes per km^2

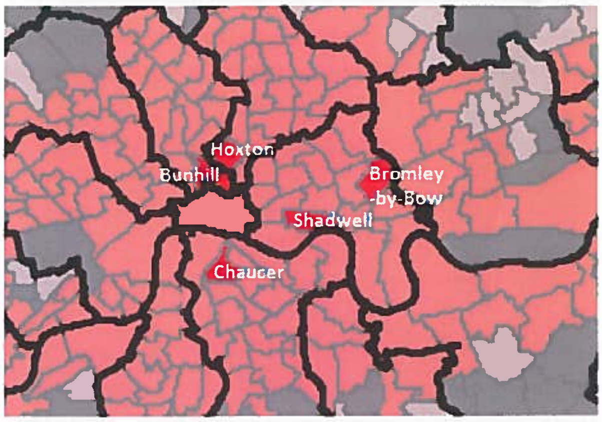


[See appendix for full-size maps]

Leading future development are hotspots within Southwark, Tower Hamlets and surrounding boroughs.

Top of all 625 ward areas is Southwark's Chaucer area, adjoining The Shard and between Borough and Elephant & Castle tube stations. Development here is likely to provide 2,870 homes per km^2 or 2,290 homes in absolute terms.

London's Top Five New Home Hotspots:



This is followed by Tower Hamlets' Shadwell ward, situated between Tower Hill and Limehouse DLR stations, which could add 2,630 homes per square kilometre – or in absolute terms approximately the same figure of 2,630 homes.

The third area of densest opportunity is Islington's Bunhill ward, adjacent to Clerkenwell and just north of the City of London, which has potential for 2,600 extra homes for every square kilometre, or a total of 2,860 homes within the ward.

In London's top ten such hotspots these locations are followed by: Hoxton, Bromley-by-Bow, Southwark Riverside, Limehouse, Wapping, St. Pancras and Spitalfields wards. All have potential for at least 1,650 further homes for every square kilometre.

Just these top ten locations could provide a total of 23,000 new homes (4.1% of the total for Greater London), while the top five alone have potential for 12,200 homes (or 2.2% of all likely new homes in the capital).

Andrew Bridges continues: *"New homes hotspots are constantly evolving, and it is likely that in time developers will move from the top ten areas identified here to the top twenty – and beyond.*

"Bigger trends are also clear. London's heart and soul is gradually shifting eastwards – not as any other location declines but as the entire city grows in the direction of maximum opportunity.

Top 10 New Build Hotspots

Rank by possible new homes per km^2	Ward area	Number of possible new homes (per km^2)	Number of possible new homes (total)
(GREATER LONDON)		356	567,500
1	Chaucer (Southwark)	2,865	2,290
2	Shadwell (Tower Hamlets)	2,632	2,630
3	Bunhill (Islington)	2,603	2,860
4	Hoxton (Hackney)	2,552	2,040
5	Bromley-by-Bow (Tower Hamlets)	2,175	2,390
6	Riverside (Southwark)	2,134	2,770
7	Limehouse (Tower Hamlets)	1,852	2,040
8	St. Katherine's and Wapping (Tower Hamlets)	1,743	2,610
9	St. Pancras and Somers Town (Camden)	1,741	2,440
10	Spitalfields and Banglatown (Tower Hamlets)	1,661	1,000

[See appendix for more detailed table]

"The City fringes are generating jobs, and these areas have grown ripe with opportunity for London's new homes industry. Regeneration is vital for London to maintain its growth and status as a world city – while also bringing new status, new wealth and new opportunities to neighbourhoods that were previously only observers in London's spectacular show of economic growth."

Larger wards, while generally expected to see fewer new homes in a given area, are host to a greater number of hectares likely to see redevelopment, and hence a larger total number of potential homes within their boundaries.

By this measure, with space for 5,620 new homes, the ward of Stratford & New Town leads all 625 ward areas when measured in absolute terms, due to its 15.7 total hectares that could see residential development. This is despite Stratford coming 20th when ranked by the potential number of new homes per square kilometre.

Second in terms of the total number of homes is Wandsworth's Queenstown ward, already home to Battersea Power Station and the Nine Elms developments. After schemes currently under construction, Queenstown ward has the potential for 3,760 further new homes in total, or an average of 1,180 homes per km^2 across the ward.

Andrew Bridges explains: *"Communities don't need to be totally transformed by new homes. In fact, reimagining old neighbourhoods in new ways can be just as effective. Places like Battersea are perhaps the most extreme examples of starting from scratch. But other areas, no less striking, are likely to host thousands of new homes while maintaining their historical personality and charm.*

"For many of the new residents we see moving to areas such as Shoreditch and Hoxton, or Southwark's Bankside, it's the coexistence of emergent prosperity and a rooted, distinct local culture that's important. New homes can be just another layer in the rich history and local identity that help to define most corners of London."

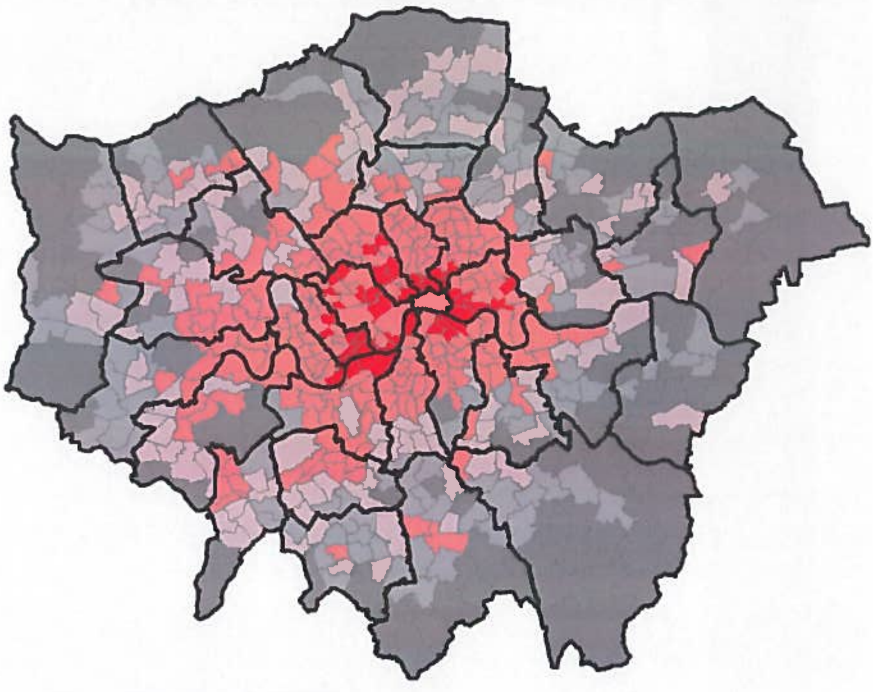
New homes to add £200 billion to London property value

At 2014 prices, (i.e. even before any increase in London house prices) new homes could add a total of £198 billion to London's gross property wealth, or an extra 13% to the £1.51 trillion total as of mid-2014.

While the value of future homes will vary by location, this would equate to an average £350,000 sale price for these new properties at current market rates.

Andrew Bridges continues: *"House prices in the capital are likely to rise significantly between now and 2024. But even at today's prices, developers have a strong incentive to make these prospects into reality.*

Value of possible new homes (£ millions per km^2)



[See appendix for full-size maps]

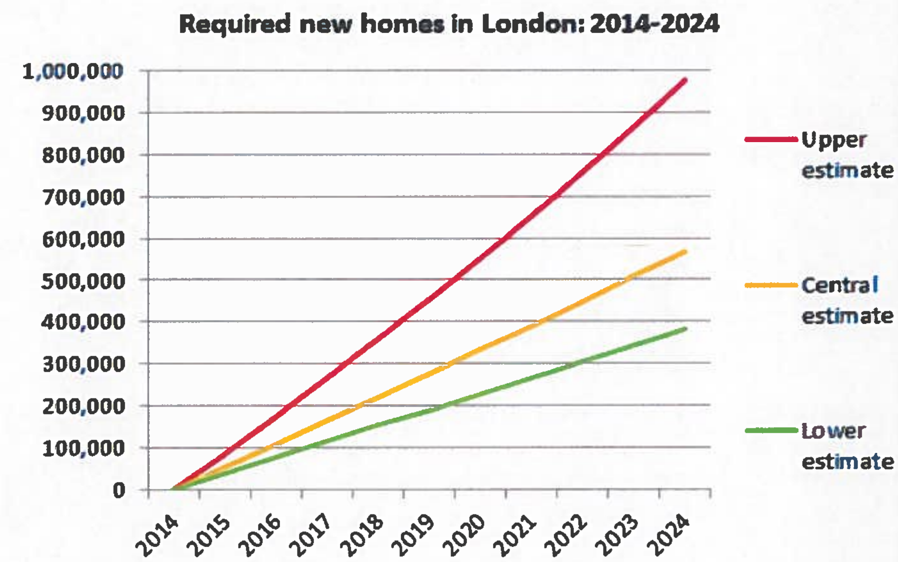
"Getting sites off the drawing board is always a challenge in such a historic and valuable city. However, for developers with homes ready to sell in the capital, there is always a market from all types of buyers. Those planning new schemes will be able to count both on London's economic renaissance and its inevitable population growth over the next decade. Every opportunity mapped here is matched by expected demand.

"Our model assumes that new developments are in tune with their surroundings – at a similar site density to other homes in the local area. This realistic approach means all the areas identified are likely to see real progress. However, some increase in density will be necessary to fit extra homes into the same city boundaries."

Background: London's population challenge

Stirling Ackroyd analysis shows that as London's population grows by an estimated 920,000 by 2024, this will require the creation of 580,000 new homes. This central estimate is consistent with household sizes dropping to an average of 2.3 people per home by 2024.

Even if household sizes stop shrinking and remain the same as in 2014, this lower bound would still be equivalent to an absolute minimum of 380,000 new homes. However, in order to house more single-person households and skilled labour from outside the capital, the required number of new homes is likely to be significantly higher.



As an upper estimate, if London's households shrink to 2.1 people per household then the number of additional dwellings required could be as high as 870,000 extra homes – though this would be a faster drop in the number of people per household than has been seen over the last ten years.

Central estimates here are consistent with other findings. The Greater London Authority (GLA) recently set a target of 424,000 new homes over the next 10 years, starting from 2015. This is as part of the authority's 'London Plan', launched in February 2014. Out of the 42,000 homes per year under the London Plan, 15,000 would be affordable and 5,000 for long term market rent, leaving over half for sale on the open market.

Official figures from the GLA suggest 20,000 new homes have been built each year over the past 10 years, though others such as CBRE have calculated just 17,250 London houses have been built per year over the past two decades. Yet both sets of figures reveal the uphill task faced for housing policy makers. London will need to double what it has built over the past 10 years in just one year, and then continue doing so for the foreseeable future.

Andrew Bridges concludes: *"Our projections for the absolute number of new homes assume the required rate of progress is met. But even if, for whatever reason, London sees slower home building, then the hotspots identified here will be invaluable for identifying where to expect the fastest progress.*

"This research should also help local authorities to grasp the opportunity that comes with new residents and faster economic growth. Fundamentally, it's clear Londoners need homes. So it's likely they will get them built."

- ENDS -

NOTES TO EDITORS

See appendices below for summary data – plus full-page illustrations

About Stirling Ackroyd:

Stirling Ackroyd is an independent firm of specialist estate agents operating across Central London and the City fringes. Since its incorporation in 1987, Stirling Ackroyd's branch network has expanded to include Bankside, the West End, Clerkenwell, Hackney and Shoreditch.

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New Build Bible Methodology:

Figures presented here are produced via a central model produced by the Wriglesworth Consultancy on behalf of Stirling Ackroyd. Data is collated from a variety of official sources and Stirling Ackroyd's own management information. Land-use data is sourced via the Greater London Authority and Office for National Statistics, while population data sets are based on National Census information, and property values on Land Registry, Nationwide and Stirling Ackroyd internal sources.

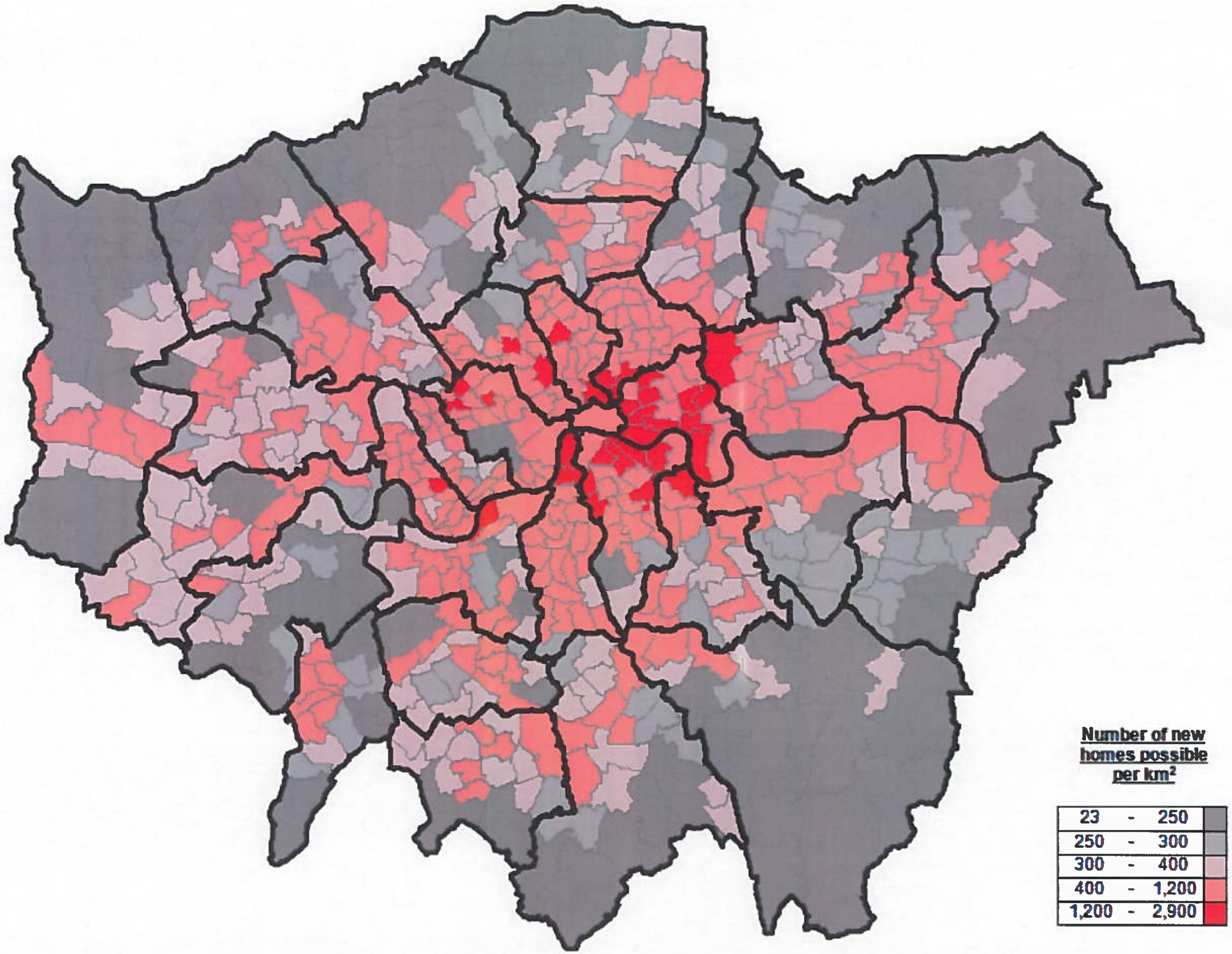
APPENDICES OVERLEAF:

I FULL SCALE MAPS

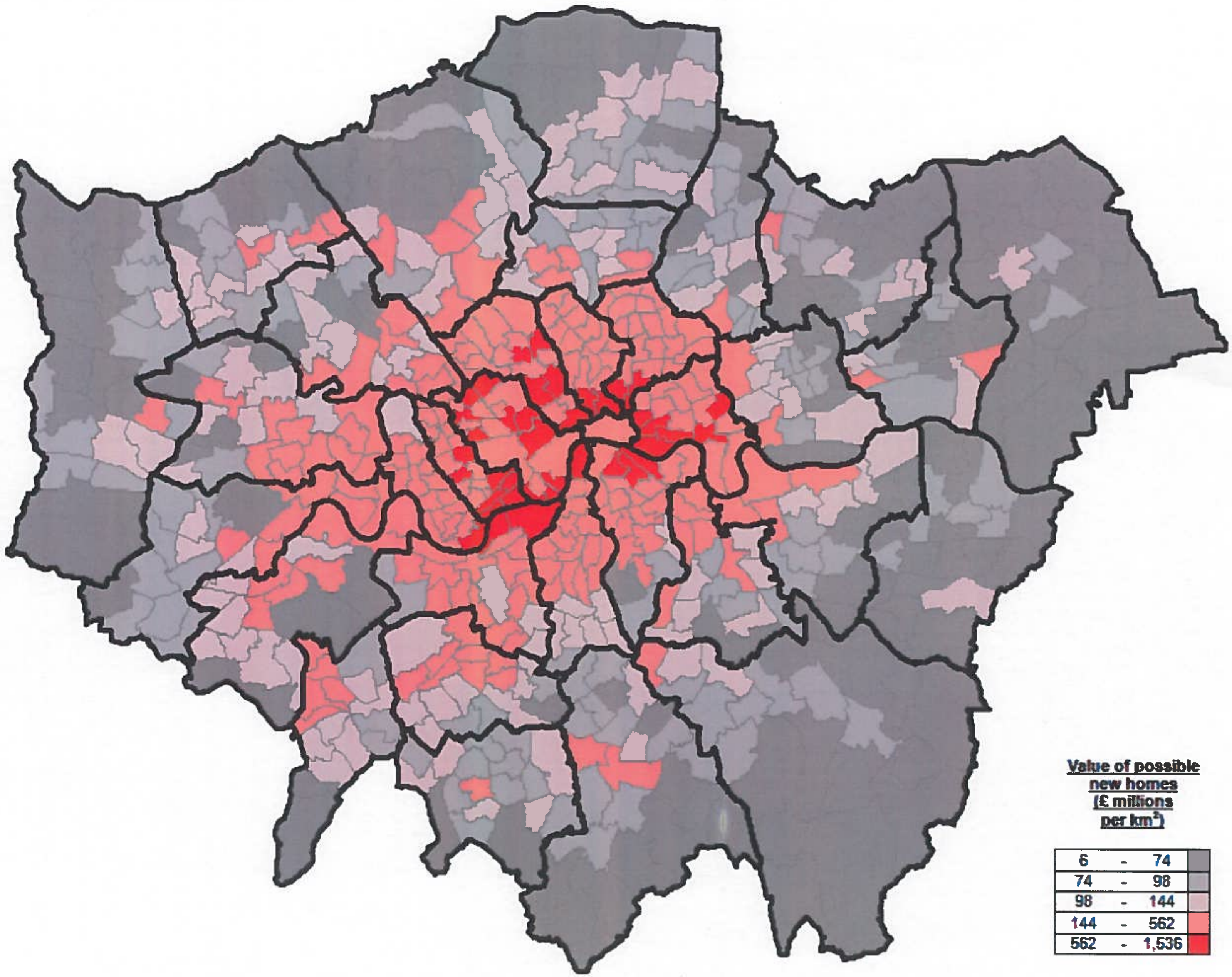
II DETAILED SUMMARY DATA

APPENDIX I: FULL SCALE MAPS

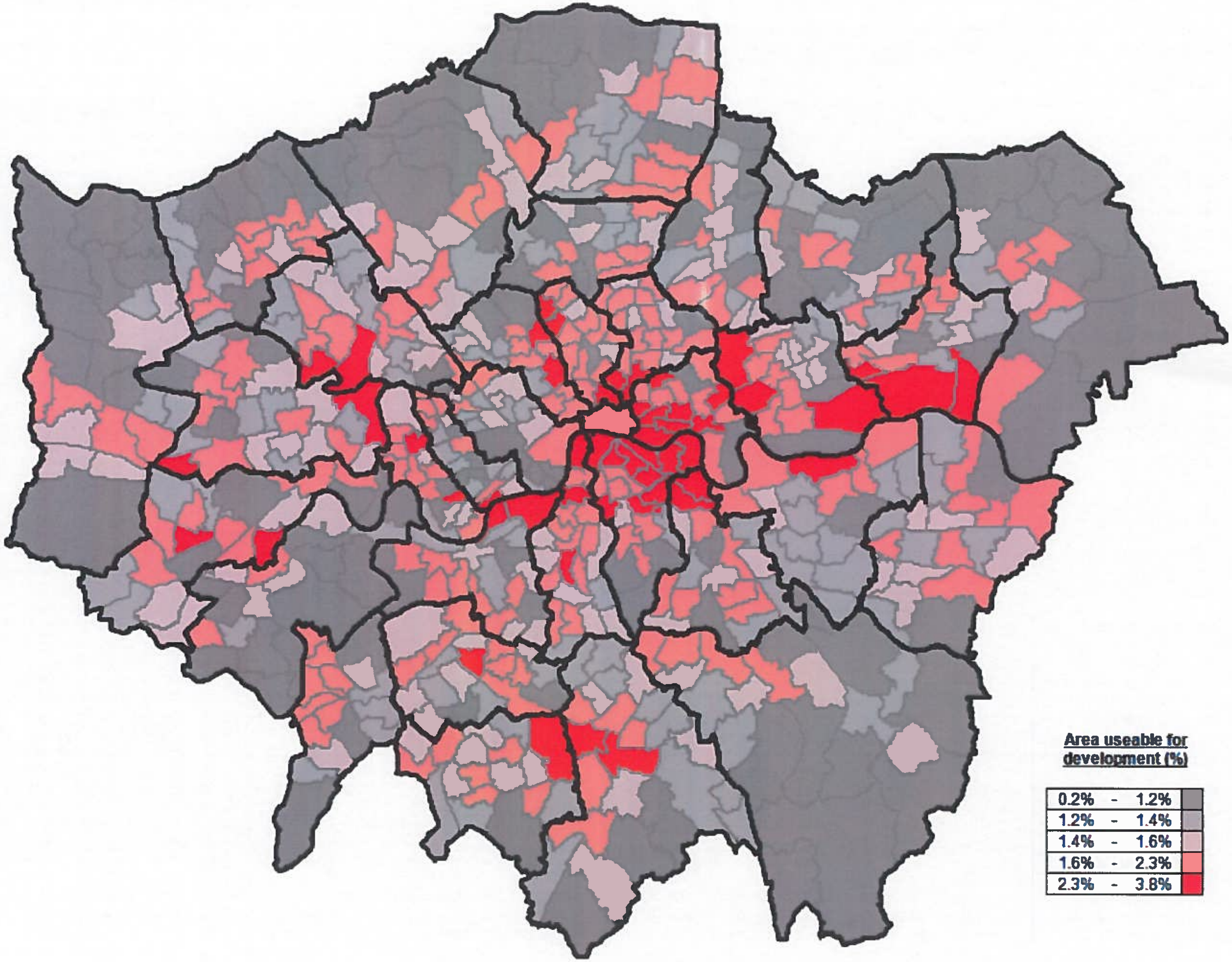
Number of potential new homes per km^2



Value of potential new homes (£ millions per km^2)

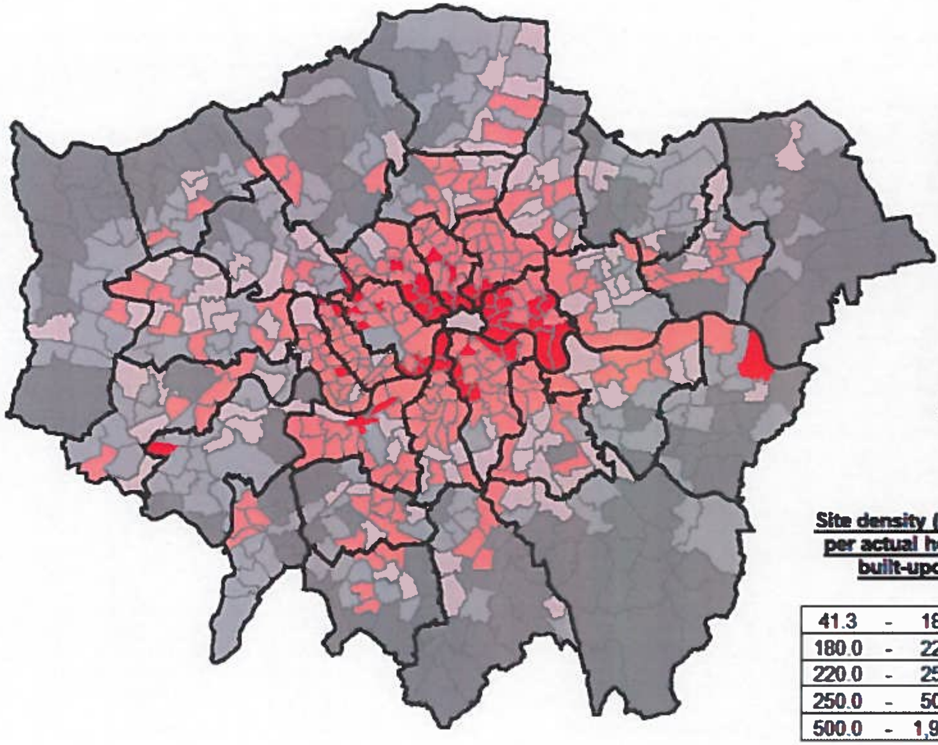


Proportion of land area likely to see new homes development

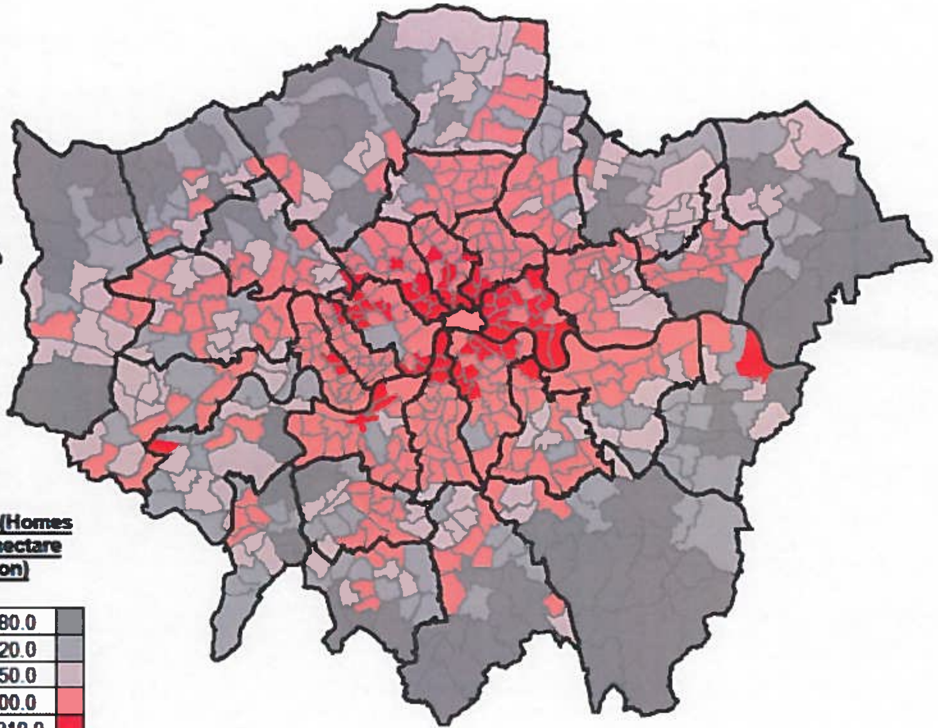


Housing site density: Actual and likely under new developments

1. Density of all existing housing (2014)



2. Assumed density of new build homes (2014-2024)



Site density (Homes per actual hectare built-upon)

41.3	-	180.0
180.0	-	220.0
220.0	-	250.0
250.0	-	500.0
500.0	-	1,910.0

APPENDIX II: SUMMARY DATA

Rank by possible new homes per km²	Ward area	Numbers of new homes		Value of new homes		Possible land area for redevelopment		Density of residential property sites	
		Number of possible new homes (per km²)	Number of possible new homes (total)	Value of possible new homes (£ millions per km²)	Value of possible new homes (£ millions total)	Land area likely to see development (Hectares)	Proportion of land area likely to see development	Average existing site density (homes per hectare)	Assumed new site density (homes per hectare)
(GREATER LONDON)		**356**	**567,500**	**£124**	**£198,400**	**2,120**	**1.33%**	**241**	**267**
1	Chaucer (Southwark)	2,865	2,290	£1,070	£860	2.1	2.6%	1084	1100
2	Shadwell (Tower Hamlets)	2,632	2,630	£910	£910	3.2	3.2%	751	826
3	Bunhill (Islington)	2,603	2,860	£1,540	£1,690	3.1	2.8%	916	916
4	Hoxton (Hackney)	2,552	2,040	£1,050	£840	1.9	2.3%	1003	1100
5	Bromley-by-Bow (Tower Hamlets)	2,175	2,390	£590	£650	3.5	3.2%	622	684
6	Riverside (Southwark)	2,134	2,770	£1,120	£1,450	3.2	2.5%	783	861
7	Limehouse (Tower Hamlets)	1,852	2,040	£580	£640	2.9	2.6%	645	710
8	St. Katherine's and Wapping (Tower Hamlets)	1,743	2,610	£780	£1,180	4.5	3.0%	529	582
9	St. Pancras and Somers Town (Camden)	1,741	2,440	£680	£950	3.3	2.4%	671	738
10	Spitalfields and Banglatown (Tower Hamlets)	1,661	1,000	£750	£450	1.8	3.0%	512	564

Rank by possible new homes per km^2	**Ward area**	**Number of possible new homes (per km^2)**	**Number of possible new homes (total)**	**Value of possible new homes (£ millions per km^2)**	**Value of possible new homes (£ millions total)**	**Land area likely to see development (Hectares)**	**Proportion of land area likely to see development**	**Average existing site density (homes per hectare)**	**Assumed new site density (homes per hectare)**
⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮	⋮
11	**Whitechapel (Tower Hamlets)**	**1,631**	1,470	£590	£530	2.3	2.5%	593	652
12	**Grange (Southwark)**	**1,612**	1,930	£620	£740	3.6	3.0%	489	538
13	**Bethnal Green North (Tower Hamlets)**	**1,587**	1,270	£480	£380	2.0	2.5%	583	641
14	**Haggerston (Hackney)**	**1,548**	1,860	£600	£720	2.7	2.3%	616	678
15	**Millwall (Tower Hamlets)**	**1,458**	3,640	£550	£1,370	4.6	1.9%	713	785
16	**Evelyn (Lewisham)**	**1,453**	2,620	£370	£670	5.2	2.9%	456	502
17	**Westbourne (Westminster)**	**1,450**	1,010	£630	£440	1.2	1.7%	785	863
18	**Camberwell Green (Southwark)**	**1,425**	1,420	£310	£310	2.6	2.6%	504	554
19	**St. Mary's Park (Wandsworth)**	**1,394**	1,950	£730	£1,020	3.6	2.6%	494	543
20	**Stratford and New Town (Newham)**	**1,337**	5,620	£330	£1,400	15.7	3.8%	325	357